

Senator Doyle, Representative Taborsak, Honorable members of the General Law

Committee;

My name is Daniela Tristine, I own Vines, Distinctive Wine & Liquor, llc in North Haven.

This Bill, even in it's ever morphing state, creates many concerns. First, the repeal and or alteration of the minimum bottle. It allows the retailer to make a small profit and protects the consumer from overpaying. -- The **adapted** minimum bottle, which allows for a retail price of **30% BELOW cost**, compiled with bulk purchasing deals, helps mega stores sell product for less than small stores could purchase the same product. The state minimum also guarantees a minimum tax per bottle -- lower the pricing, you lower the taxes.

Next is permits -- phasing in even 6 could potentially wipe the businesses of "Main Street". The backers that would utilize the extended permits would be the large box stores and grocery chains -- all of whom have corporate head-quarters out of Connecticut. This not only takes jobs from the small businesses -- and our property taxes from our towns -- but also from the businesses we support, (window washers, book-keepers, paper bag companies, etc) -- as well as the various foundations, schools, committees, firemen, police officers and political fundraisers. The ripple effect reaches much further than the corporate dollar which is shipped off to corporate executives. (i.e. *Stop and Shop* -- *HOLLAND*).

Comparatively, New York has a limit of one permit which must be owned by a NY state resident residing within a reasonable distance. This measure was taken to PROTECT small businesses from the Big Box stores. MA has a maximum of three permits per backer, in which the LLC or corporation must have registry within the state -- therefore, being subject to MA state taxation.

My final gripe is accompanied by a solution. Sunday sales -- not all of us want it -- while others want it desperately. The Governor believes our neighboring states are "eating our lunch" -- The \$8 million affixed to Sunday sales are supposed to close this gap -- truthfully, the difference in sales tax has a great deal to do with that -- if this plan falls short, do we end up back here again? Guaranteed revenue could be made from raising the price of everyone's permits -- **and adding a special "7th day permit fee"**. Those who believe so strongly that they are losing sales can put their proverbial "money where their mouth is" -- **Grocery stores only pay \$170 for their permits -- yet, they stand to gain the most from Sunday sales -- without incurring any extra expense -- their permits should be increased, substantially, to reflect this.** Those of us who choose not to open will not buy into the new extended permit. The same scenario should exist in the case of extended bar hours -- **just as it did in the 70's and 80's** -- extra hours, extra fees.

In addition, July 4th has a budget of \$8 in DUI awareness campaigns and increased police presence -- and Labor Day carries a bill of 11.2 million dollars. (M.A.D.D website stats). These are two of the heaviest drinking days of the year and I am firmly against providing an opportunity for someone to purchase additional alcohol. Again -- if opening is allowed to be a choice on this day -- it should come with a price. The increase in police presence alone will require additional funding, rendering whatever additional taxation is made null and void.

(For the record, gas in MA at Costco was listed at \$2.65 as of 2/27/12 -- CT is at \$3.95 average -- border town stores don't mind being able to buy gas in MA at over a dollar less a gallon)

FYI ...

****As far as quantity discount pricing goes -- CT pricing allows everyone to buy at "Tier 1 pricing" meaning we buy ONE case for the same price other states get when they buy MULTIPLE cases. This gets Bulk buying discounts for some but INCREASES for the rest of us -- this will cost jobs -- and increase expenses across the state. (IE. Cavit PG in CT \$56 per case for one -- in R.I., \$66 for one case -- \$58 per when 25 cases are**

purchased).

Current Tax Rates

The best way to compare state excise taxes on alcoholic beverages is on a per-gallon basis. Table 2 shows per-gallon taxes on beer, wine, and liquor (distilled spirits) in Connecticut; other New England states; and New York, New Jersey, and Pennsylvania.

The comparison shows that Connecticut's tax on beer is the fourth highest. It is lower than in Maine, New Hampshire, and Vermont, but higher than in our border states of New York, Massachusetts, and Rhode Island. Connecticut's tax on wine is the second highest in the region after New Jersey's and its tax on liquor is the third highest behind New York and New Jersey.

Six of the nine states, including Connecticut, also apply state sales tax to alcohol purchases. Table 2 shows the alcoholic beverage and sales taxes that apply to beer, wine, and liquor purchases in each state.

Table 2: Taxes on Alcoholic Beverages in Connecticut and Neighboring States

State	Per-Gallon Excise Tax			State Sales Tax
	Beer	Wine	Liquor	
Connecticut	\$0.24	\$0.72	\$5.40	6.35%
Maine	0.25 ¹	0.30 ¹	²	5.0%
Massachusetts	0.11	0.55	4.05	Not applicable ³
New Hampshire	0.30	²	²	No sales tax
New Jersey	0.12	0.88	5.50	7.0%
New York	0.14	0.30	6.44	4.0%
Pennsylvania	0.08	²	²	6.0%
Rhode Island	0.11	0.60	3.75	7.0%
Vermont	0.27	0.55	²	Not applicable

¹ Maine also imposes additional per-gallon taxes of 10¢ for beer, 30¢ for wine, and \$1.25 for distilled spirits.

² State controls all sales directly. Revenue is generated from other taxes, fees, and net profits.

³ Massachusetts' sales tax on alcoholic beverages was repealed by voter referendum, effective with sales on or after January 1, 2011.

Sources: Tax Foundation, Federation of Tax Administrators, Commerce Clearinghouse

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